



California Public Utilities Commission

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PRESS RELEASE

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CPUC IMPLEMENTS AGGRESSIVE SAFETY CITATION PROGRAM FOR NATURAL GAS UTILITIES

SAN FRANCISCO, Sept. 20, 2013 - The California Public Utilities Commission (CPUC) today finalized its internal procedures for its Gas Safety Citation Program, establishing the foundation for an aggressive program of citations intended to make safety central to the utility company bottom line.

The CPUC's Safety and Enforcement Division (SED) has staff-level authority to issue citations to natural gas companies for violation of the CPUC or federal gas safety codes and regulations. The financial penalty can range up to \$50,000 per day of violation.

Violations are identified through SED's ongoing audits, inspections, and investigations, or by the utilities themselves through mandatory disclosure requirements. The CPUC requires utilities to provide notice of any self-identified violations to the CPUC and to local authorities within 10 calendar days of self-identification of the violation, and any failure to do so triggers a further violation and possible financial sanction. Finally, the CPUC has established a whistleblower program for anonymous and protected reporting of violations to 1-800-649-7570 or safetyhotline@cpuc.ca.gov.

The CPUC requires, first of all, the immediate correction of any unsafe condition. Utilities are also expected to perform root cause analyses to ensure that future violations are prevented and unsafe conditions permanently abated.

A violation is any failure to comply with state law or any order, decision, decree, rule, direction, demand, or requirement of CPUC or federal rules, which the CPUC enforces. After a potential



violation is identified, it will be assessed in accordance with SED's Standard Operating Procedure for its Gas Safety Citation Program, which looks at the facts, the risk posed by the violations, and the utility's conduct in discovering and correcting violations, among other factors.

The CPUC has published the Standard Operating Procedure today in order to publicize the principles and management process for its citation program. The CPUC will soon begin issuing citations for previously identified violations according to this process. These forthcoming citations will be prioritized by SED's Risk Assessment Section to maximize the public safety impact.

The Standard Operating Procedure is available at

www.cpuc.ca.gov/PUC/safety/Pipeline/Standard_Operating_Procedure_for_Citations.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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